

# Memorandum

**To:** Wade Kapszukiewicz, Mayor of Toledo  
**From:** [redacted], Deputy Mayor for Planning and Economic Development  
**Date:** April 17, 2020  
**Re:** Planning and Finance Implementation Tools

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In order to achieve the stated goals of revitalizing downtown, repairing infrastructure, and ensuring the availability of affordable housing, I recommend implementation of the following measures; establishment of a TIF district downtown, implementation of Issue 1, and either a provision for affordable housing financing or the institution of an inclusionary zoning ordinance. The combination of these three tools will ensure both the financial capital and political will requisite to achieve equitable economic development in Toledo.

The establishment of a new TIF district in downtown Toledo will encompass an area of approximately 250 acres. Current equalized assessed value (EAV) of properties in the district is \$260,573,717. With a borrowing capacity of \$11,252,438 in the first three years of the district, funds will be committed to infrastructure, transportation, and other capital improvements as laid out in the 2017 Downtown Toledo Master Plan. Improved infrastructure and increased property values will catalyze development both inside the district and its adjacent neighborhoods, breathing new life into downtown.

In conjunction with the establishment of a TIF district, it is essential that we pass and implement Issue 1. The \$44,000,000 per year generated from this earned income tax rate increase will be committed to the capital improvement program (CIP) and general fund. This revenue will be focused on residential road repairs, CIP priorities, community resources (including parks and universal pre-kindergarten) in areas outside of the newly designated TIF district. If we are to raise a levy on our citizens, it is imperative that the generated revenue benefit them directly, as opposed to private developers. These funds will also amend foregone revenue during the duration of the TIF district.

Lastly, rise in property value is often accompanied by gentrification and displacement. In order to combat these effects, we must either reserve a portion of TIF revenue for affordable housing or institute an inclusionary zoning ordinance. The advantage of leveraging TIF revenue is that the affordable housing generated is proportional to the level of market-rate development. The disadvantage is that those funds can only be used in the TIF district, leaving surrounding neighborhoods vulnerable. An inclusionary zoning ordinance on the other hand could leverage funds throughout the city, but also can deter development. We will address the relative merits of each approach in a future memo, but wanted to highlight the importance of these protections for our most vulnerable citizens.

Together, these complementary tools create the conditions for equitable and inclusive economic development that will benefit all Toledoans. In combination with the prevailing economic and social conditions that make Toledo a unique and competitive city to work, live and play in, these policies will help guide our city to a prosperous future.

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